

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0170P

Gross and Adjusted Gross Income Tax
Calendar Years 1993, 1994, 1995, 1996, and 1997

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is incorporated in Georgia and has no Indiana business location. Taxpayer engineers, develops, and sells computer related software products. Taxpayer sells software aimed at "Sales and Management Enhancements" in all of the fifty states. Upon audit it was discovered that the taxpayer failed to file Indiana tax returns.

Taxpayer's audit revealed that it failed to file Indiana income tax returns for the periods at issue.

I. **Tax Administration** –Penalty

DISCUSSION

Taxpayer was assessed a penalty for failure to file Indiana tax returns.

Taxpayer, in a letter dated March 7, 2000 protested penalties assessed because there was no negligence or intentional disregard of Indiana tax regulations. Taxpayer further states that it is diligent in

0220000170P.LOF

PAGE #2

its efforts to ensure that the company files all returns required by the various jurisdictions in which it operates and because of its limited exposure in Indiana, the Gross Receipts tax was overlooked.

Taxpayer, however, failed to file Indiana returns as required. 45 IAC 15-5-7 states that the statute of limitations for purposes of assessing unpaid taxes will not start if the taxpayer fails to file a return. The Department assessed a penalty for the failure to file returns.

Taxpayer did not show reasonable cause for its failure to file Indiana returns.

FINDING

Taxpayer's protest is denied.

DW/RAW/JMS/dw 000505